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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

VECTOR GROUP LTD.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	65-0949535
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

100 S.E. SECOND STREET
MIAMI, FLORIDA 33131
(305) 579-8000

(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

RICHARD J. LAMPEN
EXECUTIVE VICE PRESIDENT
VECTOR GROUP LTD.
100 S.E. SECOND STREET
MIAMI, FLORIDA 33131
(305) 579-8000

(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

MARK J. MIHANOVIC, ESQ.
MCDERMOTT, WILL & EMERY
2049 CENTURY PARK EAST, 34TH FLOOR
LOS ANGELES, CA 90067
(310) 277-4110

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. [ ]

If any of the securities being registered on this Form are to be offered on

PROSPECTUS SUMMARY

This summary highlights some information from this prospectus. Because it is a summary, it does not contain all of the information that you should consider before investing. You should read the entire prospectus carefully, including the "Risk Factors" section and the financial statements and the notes to those statements incorporated by reference into this prospectus. As used in this prospectus, the terms "Vector", "we", "our" and "us" and similar terms refer to Vector Group Ltd. and all of our consolidated subsidiaries, including VGR Holding Inc. (formerly known as BGLS Inc.), Liggett Group Inc., Vector Tobacco (USA) Ltd. and New Valley Corporation, except with respect to the section entitled "Description of Notes" and where it is clear that these terms mean only Vector Group Ltd.

VECTOR GROUP

We are a holding company for a number of businesses. We are engaged principally in:

- the development of new, less hazardous cigarette products through our Vector Tobacco subsidiaries,
- the manufacture and sale of cigarettes in the United States through our subsidiary Liggett Group Inc., and
- the investment banking and brokerage business and the real estate business through our majority-owned subsidiary New Valley Corporation.

VECTOR TOBACCO

Vector Tobacco has developed two new, less hazardous cigarettes that we expect to market under the brand names OMNI and OMNI Nicotine Free. We believe that, while there is no "safe cigarette", these new products may address the two greatest concerns of the health community about smoking, which are cancer causing agents and addiction.

Vector Tobacco has developed a new proprietary technology which significantly reduces carcinogenic polycyclic aromatic hydrocarbon (PAH) compounds from cigarette smoke. The PAHs are reduced below the level that has been shown to produce carcinomas in animal experiments. PAHs are considered by many in the health community to be the most severe cancer-causing agent in cigarettes. An article in the May 2000 Journal of the National Cancer Institute stated that PAHs are prominent among the causative agents for lung cancer in smokers and that avoiding exposure to PAHs is an important key to decreasing lung cancer incidence. The proprietary process, which employs the use of a complex catalytic system, was developed by Dr. Robert Bereman, Vice President of Chemical Research at Vector Tobacco and former North Carolina State University Chemistry Professor. Subject to independent laboratory verification of the reduction of the PAHs and tobacco specific nitrosamines (TSNAs) in this product, we expect to introduce this product to market in late 2001 under the OMNI brand name.

In addition, Vector Tobacco has the rights to a proprietary process that enables the production of a tobacco cigarette that is virtually free of

Genetics Professor, genetically modifies the tobacco seed to produce a virtually nicotine-free and TSNA-free tobacco. Cigarettes containing tobacco produced with this process have been tested in focus groups in the United States and overseas, with such tests indicating that these cigarettes smoke and taste like a conventional cigarette. It is anticipated that this product will be introduced to market in 2002 under the OMNI Nicotine Free brand name. Both OMNI Nicotine Free and OMNI will be priced as premium cigarettes.

Vector Tobacco has recently conducted market research with respect to its planned OMNI and OMNI Nicotine Free products. Of the smokers that participated in the OMNI study, 76% stated that they would "probably try" the product. Of the smokers that participated in the OMNI Nicotine Free study, 80% stated that they would "likely try" the product. In addition, we believe, based on published sources, that 70-75% of the 45 million U.S. smokers express a desire to quit smoking and 30-35% of smokers actually attempt to do so each year. However, less than 5% of all smokers are successful in quitting each year. The majority of smokers that participated in a Vector Tobacco test panel for the OMNI Nicotine Free product experienced a decline in their cigarette consumption and little to no nicotine withdrawal symptoms.

LIGGETT

Liggett is the successor to the Liggett & Myers Tobacco Company, which was founded in 1873. Liggett was the sixth largest manufacturer of cigarettes in the United States in terms of unit sales in 2000. Liggett shipped approximately 6.44 billion cigarettes during 2000, an increase of 22.9% over the approximately 5.2 billion cigarettes shipped in 1999. Liggett believes, based on published industry sources, that this accounted for 1.5% of the total cigarettes shipped in the United States during 2000. During the six months ended June 30, 2001, Liggett's shipments of cigarettes increased 35.5% over the amounts shipped during the first six month of 2000.

Liggett has a history of introducing innovative products to improve its competitive position in the discount cigarette segment. In 1980, Liggett was the first major domestic cigarette manufacturer to successfully introduce discount cigarettes as an alternative to premium priced cigarettes. In 1989, Liggett established a new price point within the discount market segment by introducing Pyramid, a branded discount product which, at that time, sold for less than most other discount cigarettes. These product introductions allowed Liggett to increase its market share through greater penetration of the discount segment. Liggett believes, based on published industry sources, that Liggett's discount cigarette shipments represented 5.3% of this market segment for 2000.

Liggett has also taken a unique approach to the litigation proceedings against U.S. cigarette manufacturers concerning the harmful effects of cigarette consumption. Beginning in 1996, Liggett settled - independently of its four major competitors - the tobacco litigation brought by various state attorneys general against it and the other major cigarette manufacturers.

Liggett believes that it has gained a sustainable cost advantage over its competitors through these settlement initiatives. Under the Master Settlement Agreement reached in November 1998 with 46 state attorneys general, the four largest manufacturers must make settlement payments to the 46 states based on how many cigarettes are sold annually. Liggett, however, is not required to make litigation settlement payments unless its market share exceeds 1.65% of the U.S. cigarette market.

NEW VALLEY

commencement and certification of class actions and the commencement of third-party payor actions. These developments generally receive widespread media attention. We are not able to evaluate the effect of these developing matters on pending litigation or the possible commencement of additional litigation, but our consolidated financial position, results of operations or cash flows could be materially adversely affected by an unfavorable outcome in any smoking-related litigation.

LIGGETT HAS SIGNIFICANT SALES TO A SINGLE CUSTOMER

In 2000, 33.8% of Liggett's net sales, 38.1% of Liggett's net sales in the discount segment and 24.6% of our consolidated revenues were to Liggett's largest customer. Liggett's contract with this customer was recently extended through March 31, 2005. If this customer discontinues its relationship with Liggett or experiences financial difficulties, Liggett's results of operations could be materially adversely affected.

EXCISE TAX INCREASES MAY ADVERSELY AFFECT CIGARETTE SALES

As part of the 1997 budget agreement approved by Congress, federal excise taxes on a pack of cigarettes, which are currently 34 cents, were increased at the beginning of 2000 and will rise five cents more in the year 2002. In general, excise taxes and other taxes on cigarettes have been increasing. These taxes vary considerably and, when combined with sales taxes and the current federal excise tax, may be as high as $1.90 per pack in a given locality in the United States. Congress has considered significant increases in the federal excise tax or other payments from tobacco manufacturers, and increases in excise and other cigarette-related taxes have been proposed at the state and local levels. A substantial federal or state excise tax increase could accelerate the trend away from smoking and could have an unfavorable effect on Liggett's sales and profitability.

VECTOR TOBACCO IS SUBJECT TO RISKS INHERENT IN NEW PRODUCT DEVELOPMENT INITIATIVES

We plan to make significant investments in Vector Tobacco's development projects in the tobacco industry. Vector Tobacco is in the business of developing new cigarette products designed to both reduce cancer causing agents in cigarettes to below the level that has been shown to produce carcinomas in animal experiments and to be virtually free of nicotine. These initiatives are subject to high levels of risk, uncertainties and contingencies, including the challenges inherent in new product development. Vector Tobacco's new OMNI product is subject to independent laboratory verification of the reduction of PAHs and TSNAs in the product prior to launch. There is a risk that investments in Vector Tobacco will harm our profitability (if any) or liquidity or cash flow.

The substantial risks facing Vector Tobacco include:

RISKS OF MARKET ACCEPTANCE OF THE NEW PRODUCTS. Vector Tobacco has conducted limited testing of cigarettes produced from tobacco genetically modified to produce a virtually nicotine-free and TSNA-free cigarette. Virtually nicotine-free and TSNA-free or low PAH cigarettes may not be accepted ultimately by adult smokers. Adult smokers may decide not to purchase cigarettes made with virtually nicotine-free and TSNA-free or low PAH tobaccos due to taste or other preferences, or due to the use of genetically modified tobacco or the virtual absence of nicotine.

COMPETITION FROM OTHER CIGARETTE MANUFACTURERS WITH GREATER RESOURCES. The cigarette industry is highly competitive. Vector Tobacco's competitors generally have substantially greater resources than Vector Tobacco has, including financial, marketing and personnel resources. Other major tobacco companies have stated that they are working on reduced risk, "safer" cigarette products and have made publicly available only limited additional information concerning their activities at this time. There is a substantial likelihood that

other major tobacco companies will introduce products that are designed to compete directly with Vector Tobacco's virtually nicotine-free and TSNA-free and low PAH product candidates.

POTENTIAL DISPUTES CONCERNING INTELLECTUAL PROPERTY. Vector Tobacco's ability to commercially exploit its proprietary technology for its virtually nicotine-free and TSNA-free and low PAH products depends in large part on its ability to obtain and defend issued patents, to obtain further patent protection for the technology in the United States and other jurisdictions, and to operate without infringing on the patents and proprietary rights of others both in the United States and abroad. Additionally, it must be able to obtain appropriate licenses to patents or proprietary rights held by third parties if infringement would otherwise occur, both in the United States and in foreign countries.

Intellectual property rights, including Vector Tobacco's patents (owned or licensed), involve complex legal and factual issues. Any conflicts resulting from third party patent applications and granted patents could significantly limit Vector Tobacco's ability to obtain meaningful patent protection or to commercialize its technology. If necessary patents currently exist or are issued to other companies that contain competitive or conflicting claims, Vector Tobacco may be required to obtain licenses to these patents or to develop or obtain alternative technology. Licensing agreements, if required, may not be available on acceptable terms or at all. If licenses are not obtained, Vector Tobacco could be delayed in or prevented from pursuing the development or commercialization of its new cigarette products. Any alternative technology, if feasible, could take several years to develop.

Litigation which could result in substantial cost may also be necessary to enforce any patents to which Vector Tobacco has rights, or to determine the scope, validity and unenforceability of other parties' proprietary rights which may affect its rights. Vector Tobacco may also have to participate in interference proceedings declared by the U.S. Patent and Trademark Office to determine the priority of an invention or opposition proceedings in foreign counties or jurisdictions, which could result in substantial costs. There is a risk that its licensed patents would not be held valid by a court or administrative body or that an alleged infringer would not be found to be infringing. The mere uncertainty resulting from the institution and continuation of any technology-related litigation, interference proceedings or oppositions could have a material and adverse effect on Vector Tobacco's business, operating results and prospects.

Vector Tobacco may also rely on unpatented trade secrets and know-how to maintain its competitive position, which it seeks to protect, in part, by confidentiality agreements with employees, consultants, suppliers and others. There is a risk that these agreements will be breached or terminated, that Vector Tobacco will not have adequate remedies for any breach, or that its trade secrets will otherwise become known or be independently discovered by competitors.

DEPENDENCE ON KEY SCIENTIFIC PERSONNEL. Vector Tobacco's business depends for its continued development and growth on the continued services of key scientific personnel. The loss of Dr. Robert Bereman, Vice President of Chemical Research, or Dr. Mark A. Conkling, Vice President of Genetic Research, could have a serious negative impact upon Vector Tobacco's business, operating results and prospects.

ABILITY TO RAISE CAPITAL AND MANAGE GROWTH OF BUSINESS. If Vector Tobacco succeeds in introducing to market and increasing consumer acceptance for

its new cigarette product candidates, Vector Tobacco will be required to obtain significant amounts of additional capital and manage substantial volume from its customers. There is a risk that adequate amounts of additional capital will not be available to Vector Tobacco to fund the growth of its business. To accommodate growth and compete effectively, Vector Tobacco will also be required to attract, integrate, motivate and retain additional highly skilled sales,

technical and other employees. Vector Tobacco will face competition for these people. Its ability to manage volume also will depend on its ability to scale up its tobacco processing, production and distribution operations. There is a risk that it will not succeed in scaling its processing, production and distribution operations and that its personnel, systems, procedures and controls will not be adequate to support its future operations.

POTENTIAL DELAYS IN OBTAINING ANY NECESSARY GOVERNMENT APPROVALS. Vector Tobacco's business may become subject to extensive domestic and international government regulation. Various proposals have been made for federal, state and international legislation to regulate cigarette manufacturers. The ultimate outcome of these proposals cannot be predicted. It is possible that laws and regulations may be adopted covering issues like the manufacture, sale, distribution and labeling of tobacco products as well as any health claims associated with new, less hazardous cigarette products and the use of genetically modified tobacco. A system of regulation by agencies like the Food and Drug Administration, the Federal Trade Commission or the United States Department of Agriculture may be established. Any new laws or regulations of this type could significantly delay Vector Tobacco's introduction of its new products to market or may require it to incur significant expense in complying with any new regulation or in obtaining any necessary government approvals.

POTENTIAL DELAYS IN OBTAINING TOBACCO, OTHER RAW MATERIALS AND ANY TECHNOLOGY NEEDED TO PRODUCE NEW PRODUCTS. Vector Tobacco is dependent on third parties to produce tobacco and other raw materials that Vector Tobacco will require to manufacture its new product candidates. In addition, the growing of new tobacco and new seeds is subject to adverse weather conditions. Vector Tobacco may also need to obtain licenses to technology subject to patents or proprietary rights of third parties to produce its products. The failure by such third parties to supply Vector Tobacco with tobacco, other raw materials and technology on commercially reasonable terms, or at all, in the absence of readily available alternative sources, would have a serious negative impact on Vector Tobacco's business, operating results and prospects. There is also a risk that interruptions in the supply of these materials and technology may occur in the future. Any interruption in their supply could have a serious negative impact on Vector Tobacco.

NEW VALLEY IS SUBJECT TO RISKS RELATING TO THE INDUSTRIES IN WHICH IT OPERATES

THE SECURITIES INDUSTRY. As a broker-dealer, Ladenburg is subject to uncertainties endemic to the securities industry. These uncertainties include the volatility of domestic and international financial, bond and stock markets, as demonstrated by recent disruptions in the financial markets, extensive governmental regulation, litigation, intense competition and substantial fluctuations in the volume and price level of securities. Ladenburg also depends on the solvency of various counterparties. As a result, revenues and earnings may vary significantly from quarter to quarter and from year to year. In periods of low volume, profitability is impaired because expenses remain relatively fixed. Ladenburg is much smaller and has much less capital than many competitors in the securities industry. The securities industry has experienced significant consolidation in recent years among industry participants. Many of Ladenburg's competitors are substantially larger than Ladenburg in terms of capital, employees and distribution and marketing resources.

RISKS OF REAL ESTATE DEVELOPMENT PROJECTS. New Valley is engaged in a variety of real estate development projects in Russia. Development projects are subject to special risks including potential increase in costs, inability to meet deadlines which may delay the timely completion of projects, reliance on